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C O N F I D E N T I A L BUENOS AIRES 000958

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E.O. 12958: DECL: 05/08/2016
TAGS: [PREL](#) [PGOV](#) [ECON](#) [AR](#)
SUBJECT: ARGENTINE VICE PRESIDENT SCIOLI ON U.S. RELATIONS
AND ARGENTINE POLITICS

Classified By: Ambassador E. Anthony Wayne, Reasons 1.4(b) and (d).

11. (C) Summary: Ambassador and DCM had a very productive three-hour discussion with Argentine Vice President Daniel Scioli. Scioli said he foresaw a natural partnership between Argentina, Latin America and the United States in the economic development and integration of the hemisphere and based in the mutual commitment of Argentina and the U.S. to market-oriented democracy. He spoke very fondly of his experiences with the U.S. and his meetings with U.S. leaders over the years, including most recently Secretary Gutierrez. Scioli also talked about what he saw as key elements for Argentina's continued development (public investment in infrastructure and education, private investment and entrepreneurship, and making government more efficient and less corrupt). Scioli discussed how he seeks to apply these lessons in his campaign to become governor of Buenos Aires province, which produces 40% of Argentina's GDP. He discussed his plans to try to use specific investment incentives to attract greater foreign and domestic investment into the Province of Buenos Aires. Ambassador and DCM took the opportunity to raise with Scioli, who presides over the Senate, and with Senator Maria Laura Leguizamon from Buenos Aires City who was present, our hope that two key pieces of pending legislation would be passed before the national legislature breaks for elections: laws which counter terrorist financing and trafficking in persons. Both said they were aware of the interest of passing the legislation, indicated they would help, but also signaled the challenges in getting legislation passed as elections approach. End Summary.

12. (C) On the evening of May 14, Ambassador and DCM participated in a small dinner with Vice President Daniel Scioli, organized by editor and businessman Mario Montoto. Scioli's brother and businessman Jose Antonio (Pepe) Scioli, national Senator Maria Laura Leguizamon (representing Buenos Aires city) and former U.S. Ambassador to Chile, Gabriel Guerra Mondragon, also attended. Scioli dedicated three hours to the wide-ranging discussion, despite the fact that he had an event at 0700 the next morning.

U.S. Ties

13. (C) Scioli expressed his view that Argentina, the U.S. and Latin America are natural partners in the world and should be cooperating much more closely to develop the economic potential of the hemisphere. While there are some distinctions between the U.S. approach and Argentina's market model, marked by a greater government role than is practiced in the U.S., Scioli said that the two systems are compatible market-based democracies and that he as well as President Kirchner are committed to market economics. Argentina is not and will not be Venezuela, he argued. The Vice President said there was great room for expansion and deepening of trade and investment in the hemisphere in pursuit of development and integration. He particularly cited massive infrastructure needs in the region, but also discussed the great potential in knowledge-based industries and services including tourism.

14. (C) Scioli recounted his fond memories of his first job at the age of 17 selling Frigidaire refrigerators, which was then owned by General Motors. He talked warmly about his years competing in the U.S. as a professional motorboat racer. He also talked very positively about his meetings with senior U.S. officials, in the U.S., at the Summit of the Americas, and most recently when he met with Secretary of Commerce Gutierrez during the swearing in of Ecuador's President. (Scioli said the other key foreign country in his life is Italy, from which his family immigrated and where he received much support to continue his racing career after losing an arm while competing. He won his world championship driving his boat with one artificial arm.)

Run for Governor

15. (C) Scioli said the keys for successful development in Argentina, and particularly in Buenos Aires province where Scioli is running for governor, are public investment in infrastructure and education, private investment and encouragement of entrepreneurship, and making the government less corrupt and more efficient in its operations. Scioli noted that Buenos Aires province represents 40% of Argentina's GDP, but that its potential is much greater than is currently being realized. He said the creative and entrepreneurial qualities of Argentines are stymied by the culture of rentiership which ties many business elites to the corrupt and bureaucratic nature of government. He said the provincial government in Buenos Aires is extremely inefficient and needs a major cleaning up. He said much public and private investment is required. For the former, if elected governor, he hopes to regain some of the revenue sources ceded to the federal government in the past, and on

the private side, he hopes to offer significant incentives to attract private investment from domestic and international sources. In the education area, Scioli said he hopes to develop better partnerships between universities and the private sector and to invest more in public schools. He noted also that the infrastructure needs are massive from ports, to roads, to railroads, to waste dumps.

16. (C) Scioli, who has no announced opposition candidate yet for governor, said he was systematically visiting all of the parts of the province and addressing key themes, but found it difficult not to have a challenger to debate and from which to differentiate himself. The provincial election for governor will take place on October 28 at the same time as the presidential election. Scioli enjoys among the highest positive image ratings of all Argentine public figures and is expected to handily win the election for governor. On the race for mayor of Buenos Aires, where the Vice President is very popular, Scioli said he did not think there would be much of a national impact no matter who won in June.

Terrorist Finance and Anti-Trafficking Laws

17. (C) Ambassador and DCM took the opportunity to urge action on two pending pieces of legislation. The first will provide a federal legal framework for fighting the financing of terrorism, and the second, will establish a federal law for combating trafficking in persons. FATF has threatened Argentina with sanctions if the bill is not passed, they explained, and the second bill is needed for Argentina to effectively fight the horrible practice of trafficking in women, children and forced workers. The Vice President said he was aware of and supported passage of both legislative projects. Senator Leguizamon said that she was also very supportive of passage but that the legislature was having a hard time getting its work done as many senators and deputies are spending more and more time in their home provinces preparing for October elections. Both indicated they would continue to support passage and understood the importance of passing these pieces of legislation.

WAYNE